GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3029
ANSWERED ON:16.03.2001
REHABILITATION OF DCM HYUNDAI CONTAINER DIVISION
GADDE RAMAMOHAN

Will the Minister of FINANCE be pleased to state:

(a) Whether the BIFR have sought fresh rehabilitation proposal from DCM Hyundai (Container Division);

(b) if so, the details and the reasons therefor; and

(c) the time by which BIFR is likely to take a final decision in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL)

(a) & (b) : No, Sir. M/s. DCM Hyundai Ltd. was declared sick on 28.7.1998 and IFCI was appointed as Operating Agency (OA) unde the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985.On 17.9.1999, ICICI was appointed as OA in lieu of IFCI to examine the viability of the company and to submit its report.
The OA informed the Board that a joint meeting of company and Banks was held on 6.1.2000. The Banks clearly stated that they would neither be able to take up any additional exposure nor extend any reliefs/concessions beyond RBI parameters.The viability of the company depended on higher contributions from the promoters. The Bench vide its order dated 29.2.2000 had directed the OA to issue advertisement for change in management and Indian Bank was permitted to file a legal suit for recovery from company. The company had gone on appeal to AAIFR against BIFR order dated 29.2.2000, which was turned down by AAIFR vide order datec 13.7.2000.

(c): In the last hearing on 14.2.2001, the present management indicated their keenness to revive the company. The Bench decided to give a last opportunity to the promoters and directed the company/promoters to submit a fully tied up rehabilitation proposal to the OA by 31.3.2001 after discussions with the banks and financial institutions sorting out issues regarding release of fresh working capital, outstanding foreign bill purchased by Indian Bank, waiver of foreign exchange fluctuations and promoters contribution for the revival of the company.

The OA would examine the proposal and to submit its report by 15.4.2001 along with the minutes of the joint meeting to Bench for consideration and decision.